

**TITLE 15, DIVISION 1, CHAPTER 1, SUBCHAPTER 6
CORRECTIONS STANDARDS AUTHORITY**

SUBCHAPTER 6. 2007 LOCAL JAIL CONSTRUCTION FUNDING PROGRAM

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ARTICLE 1. GENERAL PROVISIONS

§1706. Definitions.

The following words, where used in this subchapter, shall have the meaning hereafter ascribed to them in this article, unless the context of their use clearly requires a different meaning.

"2007 Local Jail Construction Funding Program" means the requirements set forth in Chapters 3.11 and 3.12 of the California Government Code to finance the construction of local jails.

"Administrative work plan" means a comprehensive plan for designing, performing and managing the proposed project.

"Applicant" means the participating county that is applying for funding through the 2007 Local Jail Construction Funding Program.

"Assist the State in siting mental health day treatment and crisis care, and/or a continuum of care for parolees" means a Board of Supervisors' resolution outlining the county's intent to assist the State in siting mental health day treatment and crisis care, pursuant to Penal Code Section 3073, and/or a continuum of care at the conclusion of an offenders parole period.

"Assist the State in siting reentry facilities" means a Board of Supervisors' resolution outlining the county's intent to assist the State in siting a reentry facility, pursuant to Penal Code Section 6270.

"Authority" means State Corrections Standards Authority, which acts by and through its Executive Director and representatives.

"Board" means the State Public Works Board.

"Board of Supervisors' resolution" means a written resolution by a County Board of Supervisors.

"CCR" means California Code of Regulations.

"CDCR" means the California Department of Corrections and Rehabilitation.

"Cash match" and "hard match" are used interchangeably and mean cash dedicated to the project by the applicant for eligible expenditures as defined in Section 1714.

"Concept drawings" means, with respect to a design-build project, any drawings or architectural renderings that may be prepared, in addition to performance criteria, in such detail as the participating county determines necessary to sufficiently describe the participating county's needs.

"Conditionally award state bond funds" means that counties selected for funding through the 2007 Local Jail Construction Funding Program will be awarded funds that are subject to or conditioned upon certain requirements including, but not limited to: 1) each county's project must be approved by the Authority and the Board at various stages throughout planning and construction as required by these regulations; 2) each selected county must enter into the state/county agreements as required by these regulations; and 3) the funding mechanism of lease-revenue bonds are able to be sold for each selected project.

"Construction documents" means architectural plans and specifications that are one hundred percent (100%) complete and generally include: completed specifications with bid proposal documents; completed construction drawings; and special interest items (corrections, modifications, or additions made to the documents).

"Construction management" means a specialized, multidisciplinary function provided by a firm or individual acting as the county's representative with the responsibility to guide the county through all phases of delivery of the construction project.

"Cost effectiveness" means a computed factor that is the state dollar cost per net gain in beds, to be computed as the total amount of state funds requested divided by the total net gain in beds.

"County" means a legal subdivision of the State of California as defined in subsection (a) of Section 1 of Article XI of the California Constitution.

"Design-bid-build" means a construction procurement process independent of the design process and in which the construction of a project is procured based on completed construction documents.

"Design-build" means a construction procurement process in which both the design and construction of a project are procured from a single entity.

"Design capacity" includes all housing areas, even those specialized units that are not included in the rated capacity. It does not, however, include temporary holding cells, such as those in the reception and booking areas of the facility. Design capacity is used in calculating costs per bed and square foot.

"Design development" means architectural plans and specifications that are fifty percent (50%) complete and generally include: outline specifications (detention hardware, equipment, and furnishings); floor plans (to scale with dimensions, room designations, references, wall types, and ratings); building sections (heights and dimensions); interior elevations; and preliminary structural, mechanical, and electrical drawings.

"Detention alternatives" means programming efforts designed to reduce jail crowding as well as recidivism among local offenders.

"EIR" means environmental impact report; a report as defined in the California Environmental Quality Act (CEQA) as implemented in Title 14, CCR, Public Resources Code, Sections 21000-21177.

"Evaluation and rating process" means the method by which each county's proposal will be evaluated using the criteria stipulated in Sections 1712, 1714, 1730, 1731, and 1740 of these regulations resulting in a rank ordered list for funding consideration.

"Facility administrator" means the sheriff or other official charged by law with the administration of a local jail.

"Facility lease" means a lease-revenue bond financing document in which the Board leases the site and the Board-financed local jail facility to CDCR for the term of the bonds and, subject to availability for use and occupancy, the CDCR agrees to pay rent and other related obligations.

"Facility sublease" means a sublease of the Board-financed local jail facility from CDCR, with the consent of the Board, to a participating county, for its use, operation and maintenance, as described in Section 1754.

"Ground lease" means a lease between a participating county and CDCR, with the consent of the Board, to place possession and control of the real property upon which the Board-financed local jail facility will be constructed ~~(the "site")~~ with CDCR as described in Section 1752.

"Hard match" and "cash match" are used interchangeably and mean cash dedicated to the project by the applicant for eligible expenditures as defined in Section 1714.

"In-kind match" and "soft match" are used interchangeably and mean the cost of county-paid personnel, land, or services dedicated to the project by the applicant for eligible expenditures as defined in Section 1714.

"Large county" means a county with a general county population from 700,001 and above as estimated by the State Department of Finance for January 1, 2007.

"Lease-revenue bonds" and "state bond funds" are interchangeable and means lease-revenue bonds issued by the State Public Works Board for jail facilities as authorized in Chapters 3.11 and 3.12 of the California Government Code, as may be amended from time to time.

"Local jail" means Type II, III and IV facilities as defined in Title 15, CCR, Section 1006 and Title 24, CCR, Part 1, Section 13-102. Pursuant to Section 1712, only county-owned and operated local jails

are eligible for state bond funding. Temporary and court holding facilities are not eligible for state bond funding.

"Match" means local funds in the form of cash, property value, or management/administrative services contributed by a county on a state bond funded project in the ratio described in Section 1714.

"Medium county" means a county with a general county population from 200,001 to 700,000 as estimated by the State Department of Finance for January 1, 2007.

"Needs assessment study" means a compilation of data that substantiates and justifies the scope of the project proposed to be funded through the 2007 Local Jail Construction Funding Program.

"Net gain in beds" means the number of beds (rated capacity and special use beds) to be added, minus the number of existing beds (rated capacity and special use beds) to be eliminated in the county (if any) as a result of the project constructed through the 2007 Local Jail Construction Funding Program.

"Operational program statement" means a description of the intended operation of a local jail proposed to be funded through the 2007 Local Jail Construction Funding Program.

"Participating county," as defined in California Government Code Sections 15820.90 and 15820.91, means any county or regional consortium of counties within the state that has been certified to the Board by the CDCR as having satisfied all of the requirements set forth in California Government Code Sections 15820.90 and 15820.906 or 15820.91 and 15820.916 respectively, for financing the construction or renovation of a local jail facility pursuant to those chapters.

"Performance criteria" means, with respect to a design-build project, the information that fully describes the scope of the proposed project and includes, but is not limited to, the size, type, and design character of the buildings and site; the required form, fit, function, operational requirements, and quality of design, materials, equipment, and workmanship; and any other information deemed necessary to sufficiently describe the participating county's needs; including documents prepared pursuant to paragraph (1) of subdivision (d) of Section 20133 of the Public Contract Code.

"Project" means the construction or renovation of a local jail facility proposed to be funded by the 2007 Local Jail Construction Funding Program.

"Project delivery and construction agreement" means the written agreement and any amendments thereto between the Board, the CDCR, the Authority, and the participating county supplying the terms, provisions, and conditions governing the delivery of the project, as well as other supplemental terms and conditions that are deemed necessary to the project by the Board.

"Proposal" means the document prepared by a county, or two or more counties if a common application, by which a request is made to participate in the 2007 Local Jail Construction Funding Program.

"Proposal evaluation criteria" means criterion by which proposals will be rated for funding through the 2007 Local Jail Construction Funding Program.

"Rated capacity" means the number of inmate occupants, as determined by the Authority, for which a facility's single and double occupancy cells or dormitories (excluding those areas dedicated for medical or mental health care or disciplinary isolation housing), were planned and designed in conformity with the standards and requirements contained in Title 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2, Section ~~470A~~-1231.

"Reentry preference" means preference given to counties that agree to assist the State in siting reentry facilities pursuant to Government Code Sections 15820.907 and 15820.917.

"Regional consortium of counties" means two or more counties bound together by a memorandum of understanding or a joint powers agreement identifying the terms, conditions, rights, responsibilities, and financial obligations of all parties.

"Schematic design" means architectural plans and specifications that are thirty percent (30%) complete and generally include: a site plan; floor plan; exterior elevations and cross sections; type of construction; and actual gross floor area.

"Scope of work and project impact" means a description of the project and the impact the project will have on the county's detention system.

"Site" means the property on which the Board-financed local jail facility is located, including a buffer zone. Roadways or areas serving functions other than the jail shall not be considered part of the site.

"Small county" means a county with a general county population of 200,000 or fewer as estimated by the State Department of Finance for January 1, 2007.

"Soft match" and "in-kind match" are used interchangeably and mean the cost of county-paid personnel, land, or services dedicated to the project by the applicant for eligible expenditures as defined in Section 1714.

"Special use beds" means beds for the purpose of appropriately housing offenders in medical, mental health or disciplinary rooms, cells or units that are planned and designed in conformity to the standards and requirements contained in Title 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2, Section ~~470A~~-1231.

"Staffing plan" means an assessment and identification of staffing levels needed to operate the proposed project.

"State bond funds" and "lease-revenue bonds" are used interchangeably and mean lease-revenue bonds issued by the State Public Works Board for jail facilities as authorized in Chapters 3.11 and 3.12 of the California Government Code, as may be amended from time to time.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.90, 15820.901, 15820.902, 15820.903, 15820.905, 15820.906, 15820.907, 15820.91, 15820.911, 15820.912, 15820.913, 15820.915, 15820.916, 15820.917 and 15820.918, Government Code.

ARTICLE 3. APPLICATION TO PARTICIPATE IN 2007 LOCAL JAIL CONSTRUCTION FUNDING PROGRAM

§ 1747. Pre-funding RequirementsSteps to Proceed with Construction for Design-Bid-Build Projects.

- (a) Prior to a participating county receiving state bond funds, the Authority shall ensure that the county is ready to proceed with construction. A participating county shall be deemed ready to proceed with construction when it has done all of the following:
- (1) Met all the requirements in the proposal pursuant to Section 1730 of these regulations;
 - (2) As required in Section 1749, obtained compliance with the operational and physical plant requirements in the Minimum Standards for Local Detention Facilities in Title 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2~~Chapter 12~~, Section 1231 and the fire and life safety requirements in Title 24, CCR, Part 2, Volume 1, Chapter 4, Section 408;
 - ~~(3) Filed with the Authority a summary of construction bids received, including a statement explaining to which contractor the bid was awarded and why, and a copy of the notice to proceed issued to its contractor;~~
 - ~~(4)~~(3) Filed with the Authority a schedule of values of expected financing from state bond funds, cash match, and in-kind match and other budget items, along with a construction schedule, project management plan, and names, roles and contact information of key county personnel;
 - ~~(5)~~(4) Filed with the Authority a financial plan detailing arrangements to provide its portion of project costs, including reserves for cash flow, source of matching funds, and a schedule of anticipated match expenditure that is at least proportional to the expenditure of costs that are proposed to be reimbursed by the financing of state bond funds;

- ~~(6)(5)~~ Filed with the Authority a statement citing any exemptions from federal laws, state or local laws, regulations, ordinances, standards, or requirements;
- ~~(7)(6)~~ Filed with the Authority a final notice of determination on its environmental impact report; and,
- ~~(8)(7)~~ Filed with the Authority a written certification, that the county has control of the site, either through fee-simple ownership or comparable long-term possession (minimum of a 40 plus year site lease or use permit), and right of access to the facility sufficient to assure undisturbed use and possession; and,
- ~~(9)~~ Certified to the CDCR and the Authority that the Board has determined that the ownership interest of the participating county of the site or sites for the project is adequate for the purposes of its financing of the project, pursuant to Government Code Sections 15820.901 or 15820.911.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.906, 15820.911 and 15820.916, Government Code.

§ 1747.1 Steps to Proceed with Construction for Design-Build Projects

- (a) Prior to a participating county receiving state bond financing, the Authority shall ensure that the county is ready to proceed with the design-build process. A participating county shall be deemed ready to proceed with the design-build process when it has done all of the following:
 - (1) Met all the requirements in the proposal pursuant to Section 1730 of these regulations;
 - (2) As required in Section 1749.1(a), obtained the Authority's approval of the performance criteria or performance criteria and concept drawings. The performance criteria or performance criteria and concept drawings shall specify the project will meet the operational and physical plant requirements in the Minimum Standards for Local Detention Facilities in Title 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2, Section 1231 and the fire and life safety requirements in Title 24, CCR, Part 2, Volume 1, Chapter 4, Section 408;
 - (3) Filed with the Authority a schedule of values of expected financing from state bond financing, cash match, and in-kind match and other budget items, along with a construction schedule, project management plan, and names, roles and contact information of key county personnel;
 - (4) Filed with the Authority a financial plan detailing arrangements to provide its portion of project costs, including reserves for cash flow, source of matching funds, and a schedule of anticipated match expenditure that is at least proportional to the expenditure of costs that are proposed to be reimbursed by the financing of state bond financing;
 - (5) Filed with the Authority a statement citing any exemptions from federal laws, state or local laws, regulations, ordinances, standards, or requirements;
 - (6) Filed with the Authority a final notice of determination on its environmental impact report; and,
 - (7) Filed with the Authority a written certification, that the county has control of the site, either through fee-simple ownership or comparable long-term possession (minimum of a 40 plus year site lease or use permit), and right of access to the facility sufficient to assure undisturbed use and possession.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.906, 15820.911 and 15820.916, Government Code.

§ 1748. Requirements for the Project Delivery and Construction Agreement.

- (a) The project delivery and construction agreement between the Board, CDCR, the Authority, and a participating county shall be executed soon after the county is selected to participate and the county has received approval from the Board regarding the scope and cost of the project. The project delivery and construction agreement shall consist of standard contracting requirements used by the State of California as well as the roles, responsibilities and performance expectations of the parties for participation in and funding through the State's lease-revenue bond program for financing jail facilities.
- (b) The project delivery and construction agreement shall include, but not be limited to, the following:
 - (1) A narrative description of the project the participating county intends to construct, which shall include the design and construction or renovation of the local jail facility, pursuant to California Government Code Sections 15820.901 or 15820.911, costs for design and construction or renovation of the jail, and a schedule for completion of design and construction or renovation;
 - (2) The performance expectations of the parties related to the acquisition, pursuant to California Government Code Sections 15820.901 or 15820.911;
 - (3) Guidelines and criteria for the use and application of the proceeds of lease-revenue bonds, notes, or bond anticipation notes that are issued by the Board to fund the approved local jail facility project, pursuant to California Government Code Sections 15820.901 or 15820.911;
 - (4) Responsibilities for the ongoing maintenance and staffing during the financing, pursuant to California Government Code Sections 15820.901 or 15820.911;
 - (5) A brief statement as to who will be responsible for the legal, financial, institutional, and managerial resources available to ensure the completed construction of the jail;
 - (6) Information contained in the formal project proposal;
 - (7) Language that states that the participating county shall agree to indemnify, defend, and save and hold harmless the State of California for any and all claims and losses accruing and resulting from or arising out of the participating county's acquisition, design and construction of the local jail facility; and,
 - (8) Language that states that the county agrees to maintain the tax-exempt status of the bonds, notes, or bond anticipation notes issued by the Board.
- (c) Counties shall require their construction or design-build contractors to post payment and performance bonds, each of which shall be in an amount not less than one hundred percent (100%) of the construction contract price.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.905, 15820.911 and 15820.915, Government Code.

§ 1749. Submittal of Architectural Drawings and Specifications for Design-Bid-Build Projects.

- (a) Architectural drawings and specifications shall be submitted to the Authority at the schematic design phase, the design development phase, and the construction document phase, pursuant to Title 24, CCR, Part 1, Section 13-102(c)5.
~~(1) Pursuant to Title 24, CCR, Part 1, Section 13-102(c)3, an operational program statement shall be submitted with the schematic design drawings and specifications.~~
- (b) The Authority will review the drawings and specifications as soon as practicable, but no later than thirty (30) calendar days, and in the event of any major deficiencies, the Authority will notify the county in writing. Deficiencies may be identified as either failures to comply with minimum jail standards or as design features that may pose serious safety, security, operational, or management problems if left uncorrected, even where minimum jail standards are not violated.

- (c) Pursuant to California Government Code Sections 15820.906 and 15820.916, to enhance safety and security, the Authority may require changes in construction materials if the materials proposed with the final plans and specifications are not essential or customary, as used statewide for same security level facilities.
- (d) Deficiencies in compliance with the operational and physical plant requirements in the Minimum Standards for Local Detention Facilities in Title 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2, Section ~~470A~~-1231 and construction materials shall be corrected by the county prior to advertising for bids.
- (e) Architectural drawings and specifications shall be submitted to the State Fire Marshal for review and approval.
- (f) The Board will have final approval of all projects, and Board approval or disapproval of any project is not subject to the appeal process as described in Article 5.
- (g) No state moneys shall be encumbered in contracts let by a participating county until construction document plans and specifications have been approved by the Authority and subsequent construction bids have been received.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.906, 15820.911 and 15820.916, Government Code; and Section 6029, Penal Code.

§ 1749.1 Submittal of Performance Criteria and Architectural Drawings and Specifications for Design-Build Projects.

- (a) Performance criteria or performance criteria and concept drawings shall be submitted to the Authority for review and approval before the county issues a request for proposals for the services of a design-build entity.
- (b) Construction documents shall be submitted to the Authority and the State Fire Marshal for review and approval.
- (c) The Authority will review the construction documents as soon as practicable, but no later than thirty (30) calendar days, and in the event of any major deficiencies, the Authority will notify the county in writing. Deficiencies may be identified as either failures to comply with minimum jail standards or as design features that may pose serious safety, security, operational, or management problems if left uncorrected, even where minimum jail standards are not violated.
- (d) Pursuant to California Government Code Sections 15820.906 and 15820.916, to enhance safety and security, the Authority may require changes in construction materials if the materials proposed with the construction documents are not essential or customary, as used statewide for same security level facilities.
- (e) Deficiencies in compliance with the operational and physical plant requirements in the Minimum Standards for Local Detention Facilities in Title, 15, CCR, Division 1, Chapter 1, Subchapter 4 and Title 24, CCR, Part 1, Section 13-102 and Part 2, Section 1231 and construction materials shall be corrected prior to completion of construction.
- (f) The Board will have final approval of all projects, and Board approval or disapproval of any project is not subject to the appeal process as described in Article 5.
- (g) No state moneys shall be encumbered in contracts let by a participating county until performance criteria or performance criteria and concept drawings have been approved by the Authority pursuant to subsection (a) and a design-build contract has been awarded.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.906, 15820.911 and 15820.916, Government Code; and Section 6029, Penal Code.

§ 1750. Operational Program Statement/Staffing Plan/Operating Cost Analysis for Design-Bid-Build Projects.

(a) Pursuant to Title 24, CCR, Part 1, Section 13-102(c)3, an operational program statement shall be submitted with the schematic design drawings and specifications.

(b) At the time the county submits the design development plans and specifications for review and approval, it shall also submit a preliminary staffing plan, along with an analysis of other anticipated operating costs, for the facility. At a minimum, this plan shall include the following:

- (1) Staffing requirements under the proposed design capacity;
- (2) Shift and post identification of staff for the proposed facility, delineated by custody and support staff;
- (3) Transition team program statement and costs;
- (4) Analysis of a thirty (30) year lifecycle operating costs and maintenance and energy costs for the proposed facility; and,
- (5) Identification of, and revenue sources for, sufficient county funds needed to support the staffing levels and operating costs for the proposed facility.

(c) Following Authority determination that the preliminary staffing plan complies with regulations, the facility administrator or designee shall submit the preliminary staffing plan and operating cost analysis to the Board of Supervisors for review and approval.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.906 and 15820.916, Government Code.

§ 1750.1 Operational Program Statement/Staffing Plan/Operating Cost Analysis for Design-Build Projects.

(a) At the time the county submits the performance criteria or performance criteria and concept drawings for review and approval with respect to a design-build project, it shall also submit an operational program statement, and a preliminary staffing plan, along with an analysis of other anticipated operating costs, for the facility. At a minimum, this plan shall include the following:

- (1) Staffing requirements under the proposed design capacity;
- (2) Shift and post identification of staff for the proposed facility, delineated by custody and support staff;
- (3) Transition team program statement and costs;
- (4) Analysis of a thirty (30) year lifecycle operating costs and maintenance and energy costs for the proposed facility; and,
- (5) Identification of, and revenue sources for, sufficient county funds needed to support the staffing levels and operating costs for the proposed facility.

(b) Following Authority determination that the preliminary staffing plan complies with regulations, the facility administrator or designee shall submit the preliminary staffing plan and operating cost analysis to the Board of Supervisors for review and approval.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.906 and 15820.916, Government Code.

§ 1752. Ground Lease.

(a) In the situation involving a ground lease, a ground lease between the participating county and CDCR will be entered into after the county has entered into the project delivery and construction agreement and only after the county has certified the site pursuant to Government Code Section 15820.906(b)(1) and the Board has determined the site is adequate for purposes of financing in accordance with Government Code Section 15820.901(a). These certifications will be based upon

thorough research of both recorded and unrecorded interests in the property, and may include, as appropriate, certification regarding any use, generation, storage, release, discharge or disposal of hazardous or toxic materials on, under, in or about the site.

- (b) The ground lease must be adequate to support lease-revenue financing ~~and be in a form agreed to by the Office of the Attorney General, the Board and Authority.~~
- (c) Attached to the ground lease will be a metes and bounds legal description of the site and a simple diagram of the site, both with surveyor stamps or equivalent.
- (d) The ground lease will be recorded.
- (e) The site should not be encumbered by any liens or debt.
- (f) The recommended term is for 50 years, in no event less than 35 years after construction completion.
- (g) The lease term must be extended beyond the term to cover abatement periods due to abatement events.
- (h) The ground lease shall not be terminated as long as the lease-revenue bonds are outstanding, even in the event of default.
- (i) Damages for default shall be limited to specific performance or money damages.
- (j) After all lease-revenue bonds are paid off, the ground lease will terminate and title to the local jail facility will vest in county.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.905, 15820.906 and 15820.915 Government Code.

ARTICLE 4. ADMINISTRATION OF THE PROCEEDS OF THE STATE BOND FUNDS AND PROJECT MONITORING

§ 1756. Disbursement of the Proceeds from the Lease-Revenue Bond Funds.

- (a) No state moneys shall be encumbered in contracts let by a participating county until either (i) construction document plans and specifications have been approved by the Authority pursuant to Section 1749 and subsequent construction bids have been received, or (ii) performance criteria or performance criteria and concept drawings have been approved by the Authority pursuant to Section 1749.1(a) and a design-build contract has been awarded.
- (b) Upon approval of the participating county's proposal by the Authority and execution of the project delivery and construction agreement, a payment schedule will be established by the Authority.
- (c) Proceeds of lease-revenue bonds can only be used for activities that occur after the date of the conditional award for state bond funds.
- (d) Requests for payments from the proceeds of lease-revenue bonds shall include such supporting documentation as may be required by the Board and/or the Authority and, in the event of deficiencies in the request, the participating county shall be notified by the Authority of the deficiencies as soon as practicable.
- (e) Payments from the proceeds of lease-revenue bonds shall be processed by the Authority subject to the following conditions:
 - (1) Payment shall be made in arrears (reimbursement) on a quarterly basis through invoicing;
 - (2) No payments will be made until the participating county has complied with all applicable state requirements; and,
 - (3) At such time as the balance from the proceeds of lease-revenue bonds to the participating county reaches twenty percent (20%), the Authority shall withhold that amount as security, to be released to the participating county upon compliance with all of the terms in the project delivery and construction agreement and conditions and requirements of law and regulation,

including staffing and operating the facility within ninety (90) days of construction completion, receipt and approval of the final project audit report, and final construction inspection and approval by appropriate officials.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.903, 15820.906, 15820.913 and 15820.916, Government Code.

§ 1757. Pooled Money Investment Board.

- (a) Pursuant to California Government Code Sections 16312 and 16313, the Pooled Money Investment Board may make loans from the Pooled Money Investment Account to the CDCR for the purpose of carrying out projects authorized to be financed by lease-revenue bonds, notes, or other indebtedness.
- (b) Pursuant to Government Code Sections 15820.902 and 15820.912, upon project approval by the Board, CDCR and the Authority, and upon a participating county's receipt of responsive construction bids or responsive design-build proposals, the Board and the CDCR may borrow funds from the Pooled Money Investment Account, pursuant to California Government Code Sections ~~61312~~ 16312 and ~~61313~~ 16313, or from any other appropriate source.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 16312, 16313, 15820.902 and 15820.912, Government Code.

§ 1767. Completion of Project.

The participating county shall agree to proceed with the agreed upon construction schedule and complete the project in accordance with the project delivery and construction agreement and the plans and specifications (with respect to a design-bid-build project) or the performance criteria or performance criteria and concept drawings (with respect to a design-build project) approved by the Board and the Authority. If a participating county is not proceeding with the construction schedule as agreed to in the project delivery and construction agreement, the Authority has the discretion to give written notice of failure to comply with terms of the project delivery and construction agreement and may terminate that agreement.

Note: Authority cited: Sections 15820.906 and 15820.916, Government Code; and Section 6030, Penal Code. Reference: Sections 15820.901, 15820.905, 15820.906, 15820.911, 15820.915 and 15820.916, Government Code.